

## Message Text

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PAGE 01 YAOUND 03054 221351Z  
ACTION AF-10

INFO OCT-01 ISO-00 EB-08 SS-15 SP-02 L-03 INR-10  
EUR-12 /061 W

-----020014 221357Z /42

P R 220915Z JUN 78  
FM AMEMBASSY YAOUNDE  
TO SECSTATE WASHDC PRIORITY 5841  
INFO AMCONSUL DOUALA POUCH  
AMEMBASSY BONN

LIMITED OFFICIAL USE YAOUNDE 3054

STADIS//////////

FOR AF/C DIRECTOR JUNIOR FROM AMBASSADOR SMYTHE

E.O. 11652: NA  
TAGS: PDEV, EFIN, EAID, CM  
SUBJ: POSSIBLE COMMERCIAL FINANCING OF RAILROAD REALIGNMENT  
FROM EDEA TO NDOG-BESSOL

REF: (A) YAOUNDE 2585, (B) YAOUNDE 2570, (C) YAOUNDE 2431

1. DURING CONVERSATION ON JUNE 16 ENOW TANJONG, CONSEILLER  
TECHNIQUE FOR INTERNATIONAL FINANCE AT THE PRESIDENCY, TOLD  
EMBOFF THAT GURC HAD TEMPORARILY QUOTE SUSPENDED UNQUOTE  
ACTION ON \$50 MILLION COMMERCIAL LOAN AND THAT IT NEED NOT  
BE A FACTOR IN USG CONSIDERATION OF \$7.5 MILLION CONCESSIONAL  
FINANCING OF DOUALA-EDEA SECTION. ON JUNE 20, RICHARD LOMBARDI  
OF FIRST NATIONAL CHICAGO BANK PARIS OFFICE (WHICH IS NOW ALSO  
A CO-MANAGER OF LOAN SYNDICATION) TOLD EMBOFFS THAT HE HAD  
BEEN INFORMED BY MINISTRY OF FINANCE OFFICIAL THAT LOAN HAD  
BEEN QUOTE SUSPENDED UNQUOTE.

2. LOMBARDI WENT ON TO SAY THAT BECAUSE OF CAMEROON'S EXCELLENT  
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REPUTATION GURC LOAN SYNDICATION HAD BEEN QUICKLY OVERSUB-  
SCRIBED. HE IS CONCERNED, HOWEVER, THAT IF LOAN IS CALLED OFF  
AT THIS LATE DATE, CAMEROON'S REPUTATION ON EURODOLLAR MARKET  
WOULD BE MARRED. IF THIS SHOULD OCCUR, HE CLAIMS THAT IN  
FUTURE CAMEROON WOULD BE IN A WEAKER POSITION AND UNABLE TO  
COMMAND EXCELLENT TERMS PRESENT THIS LOAN. AMERICAN EXPRESS  
INTERNATIONAL, AS LEAD BANK, HAS ALREADY SENT JUNE 13 TELEX

TO GURC URGING SIGNING AND WARNING OF POSSIBLE EMBARRASSMENT.

3. IT APPEARS THAT MAIN REASONS FOR GURC SUSPENSION OF LOAN ARE, FIRST, KFW'S STRONG REACTION AGAINST IT (FYI WE UNDERSTAND GERMANS NOW HAVE MUCH MORE RELAXED ATTITUDE TOWARD LOAN) AND SECOND OUR INQUIRIES INTO GURC RATIONAL WHICH GURC MAY HAVE INTERPRETED AS OPPOSITION. AS STATED REFTEL A WE STRONGLY BELIEVE THAT OUR CONSIDERATION OF CONCESSIONAL FINANCING SHOULD BE IN NO WAY CONTINGENT UPON GURC DROPPING COMMERICAL LOAN. THE CONVERSE SHOULD ALSO BE TRUE. THAT IS, I WOULD LIKE TO REASSURE GURC IN WRITING THAT IF IT CONSIDERS EURODOLLAR LOAN TO BE IN ITS BEST INTEREST, IT MAY SIGN AGREEMENT WITHOUT FEAR OF JEOPARDIZING USG CONCESSIONAL FINANCING. I WOULD THEREFORE BE GRATEFUL IF DEPARMTNE COULD PROVIDE ME ASAP WITH CLEARLY WORDED STATEMENT TO THIS EFFECT, WITH APPROPRIATE AID AND POSSIBLY OTHER AGENCY CLEARANCES. SUGGEST PLACE TO START DIALOG WITH AID WOULD BE WITH JOHN KOEHRING AND GRAHAM THOMPSON OF AFR/DR. AS A MINIMUM, AID CLEARANCES SHOULD INCLUDE GOLER BUTCHER OR HAVEN NORTH OF AFR AND ED HOGAN OF PPC IN ADDITION TO OTHERS YOU OR KOEHRING FEEL NECESSARY.  
SMYTHE

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** RAILROADS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 jun 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Errors:** N/A  
**Expiration:**  
**Film Number:** D780260-0816  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2235085  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE COMMERCIAL FINANCING OF RAILROAD REALIGNMENT FROM EDEA TO NDOG-BESSOL  
**TAGS:** PDEV, EFIN, EAID, CM  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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